

CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

Minutes

February 13, 2002

The Capital Projects and Bond Oversight Committee met on Wednesday, February 13, 2002, at 9:00 AM, in Room 131 of the Capitol Annex. Representative Jodie Haydon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Jodie Haydon, Chair; Senator Robert Leeper, Vice Chair; Senator Bob Jackson; and Representative Paul Marcotte.

Guests testifying before the Committee: Robbin Taylor and Debra Wilkins, Western Kentucky University.

LRC Staff: Mary Lynn Collins, Pat Ingram, Nancy Osborne, Kevin Mason, and Shawn Bowen.

Chairman Haydon said Senate Bill 54, the bill authorizing the Western Kentucky University (WKU) Diddle Arena renovation, was recently enacted and signed by the Governor, and since the bill had an emergency clause, it is now in effect. The bill authorized the renovation project at a scope of \$32.5 million in bonds to be issued by the City of Bowling Green. (Student athletic fees and revenues from the selling of luxury suites and the naming rights of the facility will be used to pay the debt service on the bonds.) Chairman Haydon said the legislation requires the Finance Cabinet, the Council on Postsecondary Education, and this committee to review and take action concerning the proposed Memorandum of Agreement (MOA) between WKU and the City of Bowling Green. He said he agreed to call this special meeting to review the MOA since WKU is anxious to start this project. Chairman Haydon noted that both the Council on Postsecondary Education and Finance Cabinet Secretary Kevin Flanery have approved the MOA. However, Secretary Flanery has not yet approved the final financial documents.

Chairman Haydon also noted that Dr. Gordon Davies, President of the Council on Postsecondary Education, and Robin Kinney, Deputy Finance Secretary, were present and available for questions. He then introduced Robbin Taylor, WKU Director of Governmental Relations, and Debra Wilkins, WKU General Counsel, to present the MOA.

Ms. Wilkins said she and Ms. Taylor were available to answer any questions the committee may have.

Senator Leeper noted that the MOA specifies that the City of Bowling Green is not liable if the cost of the project exceeds the funds available from the bonds. He asked who would be liable in that case. Ms. Wilkins said the university will be liable if the project cost exceeds the amount of bonds issued. However, she said the scope is capped at the amount of bond funds available, and if the university runs out of money, they will stop work on the project.

Senator Jackson made a motion to approve the Diddle Arena MOA contingent upon Secretary Flanery's final review and approval of the project's financial and bond documents. The motion was seconded by Representative Marcotte and passed by voice vote.

Chairman Haydon said the committee's next meeting is scheduled for February 20 at 9:00 a.m.

With there being no further business, the meeting adjourned at 9:10 a.m.